

# LEGISLATIVE AUDIT DIVISION

Scott A. Seacat, Legislative Auditor  
Tori Hunthausen,  
Chief Deputy Legislative Auditor



Deputy Legislative Auditors:  
James Gillett  
Angie Grove

**To:** Legislative Audit Committee Members  
**Cc:** Joan Miles, Director, Department of Public Health and Human Services  
Shirley Brown, J.D., Administrator, Child and Family Services Division  
Liz Harter, Chief, Program Bureau, Child and Family Services Division  
**From:** Angie Grove, Deputy Legislative Auditor, Performance Audits  
**Date:** November 2007  
**Re:** Performance Audit Follow-up (08SP-14): Improving In-Home Services Contract Monitoring, Child and Family Services Division, (orig. 04P-12)  
**Attachment:** Performance Audit Report Summary

## **INTRODUCTION**

In May 2006, we presented our performance audit Improving In-Home Services Contract Monitoring. This audit examined contract monitoring by the Child and Family Services Division (division) within the Department of Public Health and Human Services. The audit contained three recommendations, including two two-part recommendations. In August of 2007, we began gathering information from the division on progress in implementing the recommendations. This memo summarizes the results of our follow-up work in addition to presenting background information on the program.

### **Overview**

Audit recommendations focused on improving the division's monitoring of in-home services contracts. The division implemented two recommendations and partially implemented the third recommendation.

## **BACKGROUND**

When the division determines children are at risk of abuse and neglect, or have been abused and neglected, it may provide in-home services to:

- Mitigate the risk so a child or children may remain in the home while the division works to address the underlying problems.
- Help reunify the family if a child or children must be removed from the home for their safety and well-being.
- Promote stability and permanency for children in foster care and through adoptive services.

In-home services include a wide array of services to help families in need, such as:

- Classes about nutrition and food preparation, personal hygiene, parenting, and budgeting.

- Supervised visitation to help maintain family relationships when children are removed from homes.
- Coordination of community-based resources for family members.
- Basic necessities, such as cribs for newborns.

The division relies extensively upon not-for-profit local agencies (contractors) to provide requested services for families. Consequently, monitoring is essential for ensuring contractors provide requested services and services meet division standards.

### **FOLLOW-UP AUDIT FINDINGS**

The performance audit report included three recommendations to the division. The recommendations related to expanding contract monitoring efforts, clarifying contract specifications and requirements, and improving management information capabilities. The following summarizes information relating to follow-up audit work and the implementation status of each recommendation.

#### **Recommendation #1**

**We recommend the Child and Family Services Division expand in-home services contractor monitoring efforts to analyze additional outcome and explanatory performance measures.**

#### **Implementation Status – Implemented**

The division has implemented this recommendation. Division documentation indicates contract monitoring staff make on-site monitoring visits to, and follow-up contacts with, contractors and social workers requesting services for families. Documentation indicates in-depth reviews verify a wide array of services meet contract specifications. The division developed a structured monitoring tool to help ensure all contract requirements are reviewed. Monitoring staff also interview social workers to determine whether services are meeting the needs of families and good coordination exists between division and contractor staff.

#### **Recommendation #2**

**We recommend the Child and Family Services Division ensure that in-home services contracts:**

- A. Define minimum specifications and expectations.**
- B. Specify measurable criteria for contractor payments.**

#### **Implementation Status – Implemented**

The division has converted all in-home services contracts to “fee-for-service” contracts. Contractors are paid a fixed hourly rate for providing services. Contractor hourly rates range from \$30 per hour to \$55 per hour. This is a significant improvement over what we identified during the audit, where hourly rates varied significantly with a range of up to approximately \$160 per hour. The following table illustrates department efforts to control costs.

Contractor	Hourly Rate	
	FY05	FY06
	Effective	Contract
A	\$31.04	\$33.00
B	\$37.56	\$35.00
C	\$81.48	\$45.00
D	\$75.96	\$45.00
E	\$48.67	\$42.00
Source: Compiled by the Legislative Audit Division from department records.		

We anticipated variations in contract hourly rates because of differences in operational costs such as travel requirements, facility costs, and prevailing wage rates. Additionally, the division has established guidelines for “billable” hours, such as direct service hours, collateral contact hours, and allowed training hours.

Follow-up audit work also indicates the division has improved contract language related to service expectations, which enhances the division’s ability to monitor and enforce contract requirements. For example, contracts specify contractors must provide 24-hour emergency contacts, which do not include using answering machines, and require contractors adjust service schedules to accommodate client needs, such as work and school.

### **Recommendation #3**

**We recommend the Child and Family Services Division continue to update the in-home services management information system by strengthening:**

- A. System edits to address data accuracy and uniformity.**
- B. Data analysis and reporting.**

### **Implementation Status – Partially Implemented**

Contracts require contractors provide monthly reports of services provided to families and the status of persons receiving services. Contractors must submit a monthly report in an electronic spreadsheet format. The division has improved its electronic report form by implementing system edits to improve accuracy and consistency of reported information. System edits result in “cleaner” data that is easier to analyze.

However, the division has not significantly improved its data analysis and reporting capabilities. Division management has explored software to improve its analysis and reporting capabilities, but has not identified software that fully meets its needs at an acceptable cost. Division management stated they are continuing to explore other options.